GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:55
ANSWERED ON:17.02.2006
CORE BANKING SYSTEM
Krishnadas Shri N.N.

Will the Minister of FINANCE be pleased to state:

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(a) whether the Government has reviewed the core banking system in the country;

(b) if so, the outcome thereof;

(c) whether the core banking system is mainly concentrating its attention on big customers leaving alone small customers; and

(d) if so, the corrective measures being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b), (c) & (d):- Yes, Sir. Government is regularly reviewing the network connectivity and implementation of Core Banking Solution (CBS) with the representatives of Indian Banks` Association / Public Sector Sanks. The following two issues are hampering the large-scale usage of network based processing by banks:

i) Freedom to lease/ hire leased line/Integrated services Digital Network . (ISDN) lines from more than one service provider as a part of the Closed User Group Network.

ii) Provision of leased line / ISDN connections to the branches of the banks at semi urban and rural areas of the country for extending the benefit of latest banking technology to the people of the area concerned.

No distinction is made between big and small customers in a Core Banking System.